



# School Finance Formula Review Interim Committee

October 5, 2009

## Addendum: School Finance Formula Review School Finance Law Changes: FY 2006 – FY 2009

Presented by:

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## School Finance Law Changes

### 2006 Legislative Session:

- Additional Property Tax Adjustment Aid - “buy down” additional levy rates for qualifying school districts that have the highest tax rates (began in FY 2007).
- Property Tax Assessment Appeal Repayment – School districts that repay property tax due to assessment appeal eligible to be reimbursed with State aid for uniform levy portion (began in FY 2008).
- English-as-a-second Language Weighting – increased the years students are eligible to receive weighting from 3 to 4 years (began in FY 2007).



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## School Finance Law Changes

### 2007 Legislative Session:

- Sharing Incentives (began in FY 2009) – Included:
  - ◆ Extended the uniform levy rate reduction for eligible merged/dissolved districts
  - ◆ Extended supplementary weighting for whole grade sharing and for reorganizations after whole grade sharing
  - ◆ Created supplementary weighting for operational function sharing for Districts and AEAs
  - ◆ Created supplementary weighting for districts receiving and delivering virtual classes over the ICN.



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## School Finance Law Changes

### 2008 Legislative Session:

- Home School Assistance Program – Weighting reduced from 0.6 to 0.3 (began in FY 2009)
- Supplementary Weighting for Community College Courses - Changed the weighting from 0.48 to 0.70 for career and technical courses and 0.46 for liberal arts courses (began in FY 2010).
- Regional Academy Supplementary Weighting – Reauthorized the supplementary weighting for regional academies that had been set to expire (began in FY 2010).



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## School Finance Law Changes

### 2008 Legislative Session (continued):

- State Sales Tax for School – Repealed the school infrastructure local option (SILO) sales tax and replaced it with the State sales tax:
  - ◆ Secure an Advanced Vision for Education (SAVE) to be funded using the SILO distribution formula. Per pupil amounts will be equalized by FY 2014. Revenue purpose statement determines use of funds (began in FY 2009)
  - ◆ Property Tax Equity and Relief (PTER) Fund – remaining funds after SAVE distribution used for property tax relief through the school aid formula (FY 2009 funds available for school aid property tax relief in FY 2011)



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## School Finance Law Changes

### 2008 Legislative Session (continued):

- State Categorical Supplement – Roll-in of State Categorical Programs into the school aid formula (began in FY 2010):
  - ◆ Student Achievement/Teacher Quality (SATQ) Teacher Compensation and Educational Excellence Phase II = Teacher Salary Supplement
  - ◆ SATQ Professional Development = Professional Development Supplement
  - ◆ Early Intervention/Class Size Reduction = Early Intervention Supplement



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## School Finance Law Changes

### 2009 Legislative Session:

- Prior to Session, Executive Order # 10 – 1.5% across-the-board reduction impacting State aid to school districts
- Allowable Growth Rate – set at 2.0% for regular school aid and the State Categorical Supplements for FY 2011.
- American Recovery and Reinvestment Act (ARRA) – Education Fiscal Stabilization funding:
  - ◆ FY 2009: \$40.0 million for State school aid
  - ◆ FY 2010: \$202.5 million for State school aid, \$13.1 million for Instructional Support, and \$2.0 million for professional development
- State School Aid Capped in FY 2010 – Approximately \$31.0 million short

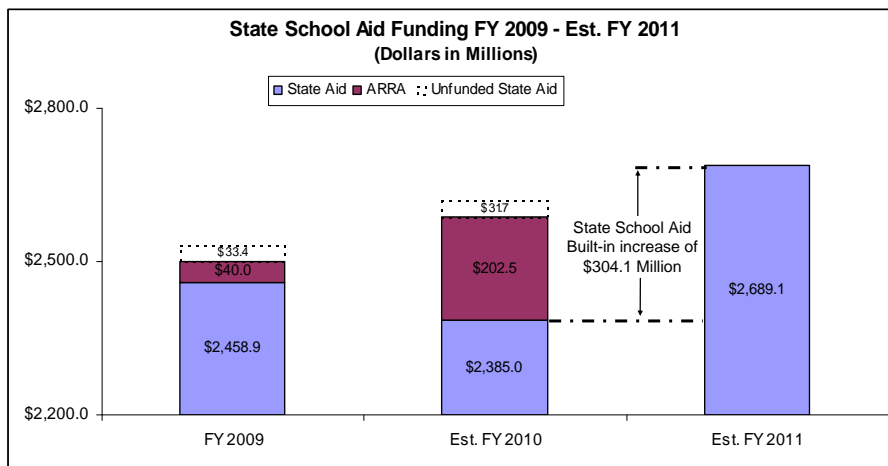


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## State School Aid – Est. FY 2011



Note: FY 2009 State aid total includes State categorical appropriations that were included in the State Categorical Supplement roll-in in FY 2010



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Questions?

Thank You!



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